

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 INRE-00 ICAE-00 AID-05
CEA-01 CIAE-00 COME-00 EB-08 EA-10 FRB-03 INR-10
IO-13 NEA-10 NSAE-00 OPIC-03 SP-02 LAB-04 SIL-01
AGRE-00 OMB-01 SS-15 XMB-02 STR-07 /108 W
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C O N F I D E N T I A L VIENNA 03893

E.O. 11652:GDS
TAGS: EAID, EFIN
SUBJECT: AUSTRIAN ACCESSION TO EXPORT CREDIT ARRANGEMENT

1. ANDROSCH INFORMED BERGSTEN DURING BILATERAL TODAY THAT AUSTRIA WILL REPEAT WILL SHORTLY SIGN INTERNATIONAL ARRANGEMENT ON EXPORT CREDITS. AUSTRIA WILL ANNOUNCE ITS DECISION AT OECD MINISTERIAL MEETING IF NOT EARLIER.

2. BERGSTEN ALSO RAISED ISSUE OF INCREASED AUSTRIAN VAT ON IMPORTED PRODUCTS, MAINLY AUTOMOBILES. ANDROSCH INDICATED GOA DID NOT REPEAT NOT ENVISAGE ELIMINATING OR REDUCING THESE TAXES QUOTE IN THE FORESEEABLE FUTURE UNQUOTE. GOA ATTACHES FISCAL AS WELL AS B/P IMPORTANCE TO NEW TAXES.

3. AUTOMOBILE IMPORTS INTO AUSTRIA HAVE DECLINED 60 IN FIRST QUARTER OF 1978. ANDROSCH ATTRIBUTES DECLINE PRIMARILY TO PICK UP IN PURCHASES IN LATE 1977 TO BEAT NEW TAX AND MORE IMPORTANTLY TO BEAT ELIMINATION OF DEDUCTIBILITY OF AUTOMOBILE PURCHASES AS BUSINESS EXPENSE. HE DOES NOT EXPECT SUCH A DECLINE TO PERSIST THROUGHOUT 1978.

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4. IN RESPONSE TO BERGSTEN QUESTION ANDROSCH INDICATED GOA HAD RECEIVED NO COMPLAINT FROM GERMANY OR ITALY WHO ARE MAJOR CAR EXPORTERS TO AUSTRIA. INDEED, GERMANY QUOTE FULLY UNDERSTANDS UNQUOTE UNSUSTAINABILITY ITS HUGE SURPLUS WITH AUSTRIA IN AUTO SECTOR AND IS WORKING TO INCREASE SHARPLY GERMAN IMPORTS OF AUSTRIAN CARS.

5. BULK OF BILATERAL CONCERNED GENERAL REVIEW INTERNA-
TIONAL ECONOMIC SITUATION INCLUDING IMPLICATIONS RECENT
COPENHAGEN DISCUSSIONS OF EEC. BORG

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Message Attributes

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Decaption Date: 01 jan 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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